

**ND ASSOCIATION OF COUNTIES - PROGRAM SAVINGS FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008**

| | September-08 | | | | Current FYTD | Prior Year FY08 | 3 Years Ended 6/30/2008 | 5 Years Ended 6/30/2008 |
|--|----------------|----------------------|--------------|--------------------|-----------------|--------------------|-------------------------------|-------------------------------|
| | Market Value | Allocation Actual | Policy | Quarter Net ROR | Net | Net | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | |
| Los Angeles Capital | 28,477 | 3.8% | 3.9% | -12.89% | -12.89% | -7.79% | 7.68% | N/A |
| Total Structured Growth | 28,477 | 3.8% | 3.9% | -12.89% | -12.89% | -7.79% | 7.68% | 9.56% |
| Russell 1000 Growth | | | | -12.33% | -12.33% | -5.96% | 5.91% | 7.32% |
| <i>Structured Value</i> | | | | | | | | |
| LSV | 26,906 | 3.6% | 3.9% | -6.65% | -6.65% | -21.43% | 3.81% | 11.57% |
| Russell 1000 Value | | | | -6.11% | -6.11% | -18.78% | 3.53% | 8.92% |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | |
| LA Capital | 57,538 | 7.7% | 7.9% | -9.52% | -9.52% | -9.54% | 6.97% | N/A |
| Russell 1000 | | | | -9.35% | -9.35% | -12.36% | 4.81% | |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | |
| Westridge | 59,276 | 7.9% | 7.9% | -8.06% | -8.06% | -12.18% | 4.98% | N/A |
| S&P 500 | | | | -8.37% | -8.37% | -13.12% | 4.41% | |
| <i>Index</i> | | | | | | | | |
| State Street | 18,594 | | | -11.64% | -11.64% | -18.24% | 2.93% | 6.64% |
| Total 130/30 | 18,594 | 2.5% | 2.6% | -11.64% | -11.64% | -18.24% | 2.93% | 6.64% |
| S&P 500 | | | | -8.37% | -8.37% | -13.12% | 4.41% | 7.59% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 190,791 | 25.5% | 26.3% | -9.42% | -9.42% | -12.71% | 5.68% | 9.31% |
| S&P 500 | | | | -8.37% | -8.37% | -13.12% | 4.41% | 7.59% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | |
| SEI | 31,290 | 4.2% | 4.4% | -6.64% | -6.64% | -20.93% | 2.06% | 9.10% |
| Russell 2000 + 200bp | | | | -0.61% | -0.61% | -14.48% | 5.88% | 12.50% |
| <i>Enhanced</i> | | | | | | | | |
| Research Affiliates | 33,789 | 4.5% | 4.4% | -2.34% | -2.34% | N/A | N/A | N/A |
| Russell 2000 | | | | -1.11% | -1.11% | -16.19% | | |
| TOTAL SMALL CAP DOMESTIC EQUITY | 65,079 | 8.7% | 8.8% | -4.46% | -4.46% | -21.14% | 1.97% | 9.04% |
| Russell 2000 | | | | -1.11% | -1.11% | -16.19% | 3.79% | 10.29% |
| INTERNATIONAL EQUITY | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | |
| Capital Guardian | 27,486 | 3.7% | 4.0% | -19.12% | -19.12% | -12.37% | 12.24% | 14.35% |
| LSV | 27,233 | 3.6% | 4.0% | -17.02% | -17.02% | -25.78% | 7.37% | N/A |
| Total Large Cap - Active | 54,719 | 7.3% | 8.0% | -18.09% | -18.09% | -19.29% | 9.83% | 13.46% |
| MSCI EAFE - 50% Hedged | | | | -16.79% | -16.79% | -15.14% | 10.93% | 14.67% |
| <i>Small Cap - Value</i> | | | | | | | | |
| DFA | 6,287 | 0.8% | 1.0% | -20.83% | -20.83% | N/A | N/A | N/A |
| Total Small Cap Value | 6,287 | 0.8% | 1.0% | -20.83% | -20.83% | -12.74% | 9.30% | 17.27% |
| S&P/Citigroup Broad Market Index < \$2BN | | | | -23.50% | -23.50% | -25.49% | 7.39% | 17.33% |
| <i>Small Cap - Growth</i> | | | | | | | | |
| Vanguard | 6,031 | 0.8% | 1.0% | -25.01% | -25.01% | -17.52% | 11.77% | 20.18% |
| Citigroup Broad Market Index < \$2BN | | | | -23.50% | -23.50% | -25.49% | 7.39% | 17.33% |
| TOTAL INTERNATIONAL EQUITY | 67,037 | 9.0% | 10.0% | -19.01% | -19.01% | -18.83% | 9.79% | 14.56% |
| MSCI EAFE - 50% Hedged | | | | -16.79% | -16.79% | -15.14% | 10.93% | 14.67% |

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|---|----------------|----------------------|---------------|--------------------|-----------------|--------------------|-------------------------------|-------------------------------|
| | Market Value | Allocation Actual | Policy | Quarter Net ROR | Net | Net | Net | Net |
| DOMESTIC FIXED INCOME | | | | | | | | |
| Core Bond | | | | | | | | |
| Western Asset | 114,807 | 15.4% | 15.5% | -5.05% | -5.05% | 2.06% | 2.76% | 3.55% |
| <i>Lehman Aggregate</i> | | | | -0.49% | -0.49% | 7.12% | 4.09% | 3.86% |
| Mortgage Backed | | | | | | | | |
| Hyperion | 22,095 | 3.0% | 4.0% | -21.09% | -21.09% | -20.24% | N/A | N/A |
| <i>Lehman Global Aggregate (US Securitized Portion)</i> | | | | -1.46% | -1.46% | 10.14% | | |
| Core Plus/Enhanced | | | | | | | | |
| <i>Clifton Group</i> | 34,969 | 4.7% | 4.0% | 0.43% | 0.43% | 10.17% | N/A | N/A |
| <i>Prudential</i> | 34,074 | 4.6% | 4.0% | -1.35% | -1.35% | 4.89% | N/A | N/A |
| Total Core Plus/Enhanced | 69,042 | 9.2% | 8.0% | -0.46% | -0.46% | 7.55% | N/A | N/A |
| <i>Lehman Aggregate</i> | | | | -0.49% | -0.49% | 7.12% | | |
| Index | | | | | | | | |
| Bank of ND | 60,200 | 8.1% | 7.0% | -1.24% | -1.24% | 7.68% | 3.93% | 3.28% |
| <i>Lehman Gov/Credit (1)</i> | | | | -1.64% | -1.64% | 7.24% | 3.84% | 3.24% |
| BBB Average Quality | | | | | | | | |
| Wells Capital (formerly Strong) | 117,707 | 15.8% | 15.5% | -3.67% | -3.67% | 3.55% | 3.04% | 3.85% |
| <i>Lehman US Credit BAA</i> | | | | -4.85% | -4.85% | 2.62% | 2.52% | 3.59% |
| TOTAL DOMESTIC FIXED INCOME | 383,851 | 51.4% | 50.0% | -4.37% | -4.37% | 2.32% | 3.89% | 5.04% |
| <i>Lehman Aggregate (2)</i> | | | | -0.49% | -0.49% | 7.12% | 4.09% | 3.73% |
| CASH EQUIVALENTS | | | | | | | | |
| Bank of ND | 40,399 | 5.4% | 5.0% | 0.48% | 0.48% | 3.43% | 4.10% | 3.38% |
| <i>90 Day T-Bill</i> | | | | 0.63% | 0.63% | 3.63% | 4.27% | 3.18% |
| TOTAL NDACo PROGRAM SAVINGS | 747,156 | 100.0% | 100.0% | -6.97% | -6.97% | -5.77% | 4.48% | 6.56% |
| POLICY TARGET BENCHMARK | | | | -4.23% | -4.23% | -2.85% | 5.04% | 6.51% |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.